



DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

[OMB Control No. 9000-0179]

[Docket 2012-0076; Sequence 24]

Submission for OMB Review; Service Contracts

Reporting Requirements

AGENCIES: Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

ACTION: Notice of request for public comments regarding a new OMB information clearance.

SUMMARY: Under the provisions of the Paperwork Reduction Act, the Regulatory Secretariat will be submitting to the Office of Management and Budget (OMB) a request to review and approve a new information collection requirement for Service Contracts Reporting Requirements. An initial notice soliciting public comments on the information collection was published in the Federal Register at 76 FR 22070, on April 20, 2011, as part of a proposed rule under FAR Case 2010-0010. The public comments received on only the information collection are addressed in this notice under, "Supplementary Information." Comments on the rest of the proposed rule will be addressed with the issuance of the final rule.

DATE: Interested parties should submit written comments to the Regulatory Secretariat at the address shown below on or before **[Insert date 30 days after FEDERAL REGISTER publication date]**.

ADDRESSES: Submit comments in response to OMB Control 9000-0179, by any of the following methods:

- Regulations.gov: <http://www.regulations.gov>.

Submit comments via the Federal eRulemaking portal by searching the OMB control number. Select the link "Submit a Comment" that corresponds with OMB Control 9000-0179 at the "Submit a Comment" screen. Please include your name, company name (if any), and "OMB Control 9000-0179" on your attached document.

- Fax: 202-501-4067.
- Mail: General Services Administration, FAR Secretariat (MVCB), ATTN: Hada Flowers, 1275 First Street, NE, Washington, DC 20405.

Instructions: Please submit comments only and cite OMB Control 9000-0179, in all correspondence related to this case. All comments received will be posted without change to <http://www.regulations.gov>, including any personal and/or business confidential information provided.

FOR FURTHER INFORMATION CONTACT: Mr. Edward Loeb,
Procurement Analyst, Contract Policy Division at (202) 501-
00650 or via email at edward.loeb@gsa.gov.

SUPPLEMENTARY INFORMATION:

A. Purpose

Section 743(a) of Division C of the Consolidated Appropriations Act, 2010 (Pub. L. 111-117) requires executive agencies covered by the Federal Activities Inventory Reform (FAIR) Act (Pub. L. 105-270), except DoD, to submit to the Office of Management and Budget (OMB) annually an inventory of activities performed by service contractors. DoD is exempt from this reporting requirement because 10 U.S.C 2462 and 10 U.S.C. 2330a(c) already require DoD to develop an annual service contract inventory.

House Report 111-366 notes, in connection with section 743, that, "in the absence of complete and reliable information on the extent of their reliance on service contractors, Federal agencies are not well-equipped to determine whether they have the right balance of contractor and in-house resources needed to accomplish their missions. Therefore, this rule intends to supplement agency annual service contract reporting requirements with the contractor provided service contract reporting information.

The information is to be submitted pursuant to a new clause and solicitation provision. Certain prime service contractors will provide annually-

- a. The contract number, and, as applicable, order number;
- b. The total dollar amount invoiced for services performed during the previous Government fiscal year under the contract;
- c. The number of contractor direct labor hours expended on the services performed during the previous Government fiscal year; and
- d. Data reported by subcontractors.

The prime contractor shall require each first-tier subcontractor performing under the contract to provide annually-

- a. The subcontract number (including subcontractor name and if available, DUNS number; and
- b. The number of first-tier subcontractor direct-labor hours expended on the services performed during the previous Government fiscal year.

In order to invoice the government for time-and-material/labor-hour (T&M/LH) and cost-reimbursement

contracts, contractors already track labor hours expended, so the rule will cover T&M/LH and cost-reimbursement contracts over the simplified acquisition threshold.

In an effort to keep the reporting burden to the absolute minimum on civilian agencies and their service contractors, a phased-in approach will be used for fixed-price contract awards. Fixed price contracts will be covered if the estimated total value is at or above \$5 million in FY 2013, \$2.5 million in FY 2014, \$1 million in FY 2015 and \$500,000 in FY 2016 and thereafter.

For indefinite-delivery contracts, including but not limited to, indefinite-delivery indefinite-quantity (IDIQ) contracts, Federal Supply Schedule (FSS) contracts, Governmentwide Acquisition contracts (GWACs), and multi-agency contracts, reporting requirements will be determined based on the expected dollar amount and type of the orders issued under the contracts.

Existing indefinite-delivery contracts will be bilaterally modified within six months of the effective date of the final rule if sufficient time and value remain on the base contract, which is defined as: (1) a performance period that extends beyond October 1, 2013, and

(2) \$5 million or more remaining to be obligated to the indefinite-delivery contract.

B. Discussion of comment:

Comment: One respondent considered the methodology used to calculate the hours needed to prepare responses and the reporting requirement estimates in the Paperwork Reduction Act (PRA) submission to be grossly underestimated.

Response: The Councils have reviewed the comment and believe the estimated time to report per contract is reasonable at one hour to calculate the data and one hour to enter the data at www.acquisition.gov. The estimated burden is prepared taking into consideration the necessary criteria in OMB guidance for estimating the paperwork burden put on the entity submitting the information. For example, consideration is given to an entity reviewing instructions; using technology to collect, process, and disclose information; adjusting existing practices to comply with requirements; searching data sources; completing and reviewing the response; and transmitting or disclosing information. The estimated burden hours for a collection are based on an average between the hours that a simple disclosure by a very small business might require and the much higher numbers that might be required for a

very complex disclosure by a major corporation. Also, the estimated burden hours should only include projected hours for those actions which a company would not undertake in the normal course of business. Careful consideration went into assessing the estimated burden hours for this collection, and although, the respondent indicated the burden is underestimated, the estimated burden remains unchanged. At any point, members of the public may submit comments for further consideration, and are encouraged to provide data to support their request for an adjustment.

C. Annual Reporting Burden

Respondents: 23,845.

Responses/respondent: 1.

Total annual Responses: 23,845.

Preparation hours per response: 2.

Total response burden hours: 47,690.

OBTAINING COPIES OF PROPOSALS: Requesters may obtain a copy of the information collection documents from the General Services Administration, Regulatory Secretariat (MVCB), 1275 First Street, NE, Washington, DC 20417, telephone 202-501-4755. Please cite OMB Control No. 9000-

0179, Service Contracts Reporting Requirements, in all
correspondence.

Dated: March 8, 2013

William Clark,
Acting Director,
Federal Acquisition Policy Division,
Office of Governmentwide Acquisition Policy,
Office of Acquisition Policy,
Office of Governmentwide Policy.

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